

RULE 504 EMISSION REDUCTION CREDITS

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100 GENERAL

101 PURPOSE: To provide an administrative mechanism for quantifying, adjusting and certifying surplus emission reductions for:

101.1 later use as offsets pursuant to District, state or federal rules or regulations, or

101.2 transfer to other sources as offsets pursuant to Rule 502, NEW SOURCE REVIEW.

102 APPLICABILITY: This rule shall apply to all emissions reduction credits for use within a stationary source or for transfer to other sources.

110 EXEMPTION, NOTIFICATION REQUIREMENTS: The requirements of Sections 404 and 405; relating to notification, publication, and public inspection of Preliminary Decisions; shall not apply if the application is for emission reduction credits less than the following per calendar quarter:

<u>Affected Pollutant</u>	<u>Emission Reduction Credits</u>
Reactive Organic Compounds	9,000 lbs/quarter
Nitrogen Oxides	9,000 lbs/quarter
Sulfur Oxides	9,000 lbs/quarter
PM10	7,200 lbs/quarter
Carbon Monoxide	49,500 lbs/quarter

111 EXEMPTION, CONCURRENT STATIONARY SOURCE MODIFICATION: Pursuant to Section 40709(c) of the California Health and Safety Code, need not be banked prior to use as offsets, if those reductions satisfy all criteria established by this rule, Rule 501, GENERAL PERMIT REQUIREMENTS, and Rule 502, NEW SOURCE REVIEW. For the purposes of this exemption, "concurrent stationary source modification" means the simultaneous modification of emission units and/or the addition of new emissions units to a stationary source with all emission reductions occurring after the issuance of the Authority to Construct authorizing such reductions, but before the start of operation of the new or modified emissions unit(s) with emission increases.

200 DEFINITIONS: Unless otherwise defined below, the terms used in this rule are defined in Rule 502, NEW SOURCE REVIEW.

201 ACTUAL EMISSIONS REDUCTIONS: Reductions of emissions from an emissions unit. Actual emission reductions shall be calculated pursuant to Section 407, Calculation of Emissions, and meet all of the following criteria:

201.1 The emissions reductions shall be real, enforceable, quantifiable, and permanent.

201.2 The emissions reductions shall be surplus emissions reductions in excess of any emissions reduction which is:

- a. Required or encumbered by any laws, rules, regulations, agreements, or orders, and unless such law by its terms states that the emission reduction shall be considered surplus, or
- b. Attributed to a control measure noticed for workshop in the District, or proposed or contained in a State Implementation Plan, or
- c. Proposed or contained in the District Air Quality Attainment Plan for attaining the annual reductions required by the California Clean Air Act.

201.3 Except for control measures which are federally mandated or otherwise required or encumbered by law, emissions reductions attributed to a proposed control measure may be re-eligible as surplus actual emissions reductions for:

- a. Control measures identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted within two years from the scheduled adoption date, provided, however, the Air Pollution Control Officer has not extended the scheduled adoption date, or
- b. Control measures not identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted and two years have elapsed beyond the date of the latest public workshop notice, or
- c. Control measures proposed in the District Air Quality Attainment Plan which are not included into the Plan adopted by the District Board shall become re-eligible upon adoption of the Plan.

201.4 Source shutdowns and curtailments may not be given emission reduction credit in the case of non-attainment pollutants, including precursors, if they occurred prior to the date of application unless:

- a. The shutdown or curtailment was claimed by the affected facility as a credit within 180 days of the last date of operation. Shutdown or curtailment credits not claimed within 180 days shall pass to the Priority Reserve Bank as provided in Rule 505, PRIORITY RESERVE.
- b. The crediting of shutdown emissions complies with the most recent emission trading policy of the US Environmental Protection Agency; and
- c. The District has met the statutory planning mandates and air quality improvement milestones; or
- d. The proposed new source or modification is a replacement, and the shutdown or curtailment occurred after August 7, 1977, or
- e. The proposed new source or modification does not meet the US Environmental Protection Agency definition of a major source or major modification; the shutdown or curtailment occurred after August 7, 1977; the shutdown or curtailment was document by a concurrent application to the District for emissions reduction; and the emission reduction credit is used at the same stationary source.

202 BANKING: The system of quantifying, adjusting, certifying, recording, and storing ERC's for future use and transfer. This system shall be called the Emission Reduction Credit Bank (ERC Bank).

203 BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY (BARCT): an emission limitation that is based upon the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source. The criteria for BARCT are specified in "California Clean Air Act Guidance for the Determination of Reasonably Available Control Technology and Best Available Retrofit Control Technology", California Air Resources Board, April 1990.

204 CERTIFIED: Emission reduction credits which have been evaluated under the requirements of this rule and other applicable District, state and federal rules and regulations and which have been authorized by the Air Pollution Control Officer.

- 205 ELECTRICAL POWER PLANTS:** An electrical generating facility located within the District that regularly generates electricity so the local electric utility can provide its daily energy requirements. Emergency electrical generating equipment are not considered electrical power plants.
- 206 EMISSION REDUCTION CREDITS (ERC):** Reductions of actual emissions from an emission unit that are registered with the District in accordance with the requirements of this rule.
- 207 EMISSIONS UNIT:** An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any affected air pollutant, regulated air pollutant or Hazardous Air Pollutant (HAP), directly or as fugitive emissions. An emissions unit shall not include the open burning of agricultural biomass. With the exception of early reductions of Hazardous Air Pollutants in accordance with Section 112(i)(5) of Title V of Federal Clean Air Act as amended in 1990, reduction credits may only be obtained for reductions in affected pollutants.
- 208 ENFORCEABLE:** Verifiable and legally binding. Enforceable, for the purposes of federal requirements, means all federally enforceable limitations and conditions enforceable by the administrator, including: NSPS; NESHAP; requirements within any applicable State Implementation Plan; any permit requirement established pursuant to 40 CFR 52.21, 51.160-166; or federal operating permit requirements.
- 209 ERC CERTIFICATE:** A document certifying title to a defined quantity and type of ERC's issued by the District to the owner(s) identified on the Certificate.
- 210 HISTORIC ACTUAL EMISSIONS:**
- 210.1 For applications for emissions reductions deemed complete after the September 21, 1993, "historic actual emissions" are the actual emissions for the existing emissions unit averaged over the consecutive two year period immediately preceding the date of application for emission reduction credits. If the last two years are unrepresentative of normal source operations as determined by the Air Pollution Control Officer, then any two consecutive years of the last five years that represent normal source operation may be used.
- 210.2 For applications for emissions reductions deemed complete prior to the September 21, 1993, "historic actual emissions" are either as calculated in Subsection 210.1, above, or, at the option of the applicant and with the approval of the Air Pollution Control Officer, are the actual emissions for the existing emissions unit averaged over the three year period immediately preceding the date of application for emission reduction credits.
- 210.3 If, at any time during the two or three year period, actual emissions exceeded allowed or permitted emission levels, then actual emissions shall be reduced to reflect emission levels that would have occurred if the unit were in compliance with all applicable limitations and rules.
- 210.4 Where an emissions unit has been in operation for less than two years, a shorter averaging period of at least one year may be used, provided that the averaging period is representative of the full operational history of the emissions unit. If less than one year has passed since the date of issuance of the permit to operate then the historic actual emissions shall be zero.
- 211 NON-PERMITTED EMISSIONS:** Those emissions of an affected pollutant which are not required to obtain a permit pursuant to Rule 501, GENERAL PERMIT REQUIREMENTS. Non-permitted emissions may include emissions from mobile sources, indirect sources, and exempt equipment.

- 212 OFFSET:** The use of an emission reduction credit to compensate for an emission increase of an affected pollutant from a new or modified source subject to the requirements of Rule 502, NEW SOURCE REVIEW.
- 213 PARCEL(S):** A legally identifiable piece of land as registered with the County Assessors' office for property tax purposes.
- 214 PERMANENT:** Only permanent reductions in emissions can qualify for emission reduction credit. Permanence may generally be assured for sources subject to federal requirements by requiring federally enforceable changes in source permits, or applicable state regulations to reflect a reduced level of allowable emissions.
- 215 PROPOSED EMISSIONS:** Emissions based on the potential to emit for the new or modified emissions unit.
- 216 PORTABLE EQUIPMENT:** Equipment which is periodically relocated and is not operated more than a total of 180 days at any one location in the District within any continuous 12 month period.
- 217 QUANTIFIABLE:** Ability to estimate emission reductions in terms of both their amount and characteristics. The same method of estimating emissions should generally be used to quantify the emission levels before and after the reduction.
- 218 QUARTERLY:** Calendar quarter beginning in January, April, July, and October.
- 219 REAL:** Actually occurring, implemented, and not artificially devised.
- 220 REASONABLY AVAILABLE CONTROL TECHNOLOGY (RACT):** The lowest emission limitation that a particular source is capable of meeting by the application of emission control technology that is reasonably available considering technical and economic feasibility. The criteria for RACT are specified in "California Clean Air Act Guidance for the Determination of Reasonably Available Control Technology and Best Available Retrofit Control Technology", California Air Resources Board, April 1990.
- 221 REGISTER:** The document that records all ERC deposits, withdrawals, transfers, and transactions.
- 222 REPLACEMENT EQUIPMENT:**
- 222.1 Functionally Identical Replacement: The replacement of or modification of emission units(s) where the replacement unit serves the identical function as the unit(s) being replaced, and the maximum rating and the potential to emit any pollutant will not be greater from the new or modified emissions unit(s) than the replaced unit(s), when the emissions unit(s) are operated at the same permitted conditions.
- 222.2 Identical Replacement: The total or partial replacement of an emissions unit where the replacement is the same as the original unit in all respects except for serial number.
- 223 SHUTDOWN:** The earlier of either the permanent cessation of emissions from a source or an emission unit or the surrender of that unit's or source's operating permit.
- 224 TEMPORARY SOURCE:** Temporary emission sources such as pilot plants, and portable facilities which will be terminated or located outside the District after less than a cumulative total of 90 days of operation in any 12 continuous months , and the emissions resulting from the construction phase of a new source.

225 TRANSFER: The change in ownership of an ERC from one person or legal entity to another.

300 STANDARDS

301 CERTIFICATION: Only actual emission reductions shall be certified as ERC's. Such actual emission reductions shall meet the following requirements to be certified as ERC's.

301.1 Apply for emission reduction credits pursuant to Section 401, and

301.2 Receive written approval of the Air Pollution Control Officer, and

301.3 If the emission reduction is created from an emission unit where the demand for the services or product could shift to other similar sources in the District, submittal of data to document that such reductions will result in District-wide emission reductions may be required by the Air Pollution Control Officer. Such documentation must be approved by the Air Pollution Control Officer.

301.4 Emissions decreases shall be prescribed by enforceable emission limitations contained in authorities to construct and permits to operate, or result from the permanent surrender or the voiding of permits to operate.

302 REEVALUATION: Actual emission reductions calculated prior to September 21, 1993, shall be reevaluated under the requirements and procedures specified in this rule.

303 NON-PERMITTED SOURCES:

303.1 Except as provided in Section 303.2, non-permitted emissions units or stationary sources requesting emission reduction credits from such emissions units shall void the exemption from Rule 501, GENERAL PERMIT REQUIREMENTS. Such sources shall not operate such emissions unit or stationary source without first obtaining a permit pursuant to Rule 501, GENERAL PERMIT REQUIREMENTS.

303.2 If state or federal law prohibits the District from requiring an authority to construct or a permit to operate pursuant to Rule 501, GENERAL PERMIT REQUIREMENTS, the applicant for emission reduction credits shall execute a legally binding contract with one or more owner(s) or operator(s) of the non-permittable emissions unit that ensures the sum of all emission reductions will be provided in accordance with the requirements of this rule, and will continue for the life of the stationary source using the credits or life of the credits as provided in the application. Such a contract shall be filed with the District and, by its terms, be enforceable by the Air Pollution Control Officer. For sources subject to federal NSR requirements, in the absence of federally enforceable conditions, the execution of a source specific SIP revision is required.

304 SHUTDOWNS: Shutdowns or curtailments occurring after the September 21, 1993, claimed for emission reduction credit shall comply with the following:

304.1 Applicants for emission reductions due to the shutdown of permitted or non-permitted emissions units shall demonstrate to the satisfaction of the Air Pollution Control Officer that such equipment will no longer be operated within the District.

304.2 Emission reductions from the shutdown of retail dry cleaners and retail gasoline stations shall be prohibited.

304.3 An application for emission reduction credits from the shutdown of emissions units or stationary sources shall be submitted within 180 days after the surrender of the permit to operate or for non-permitted sources the last date of operation of such emissions unit or stationary source.

- 305 USE OF ERC'S, BANKING:** ERC's may be banked for later use as offsets. The name of the user shall be entered into the Register for the applicable ERC's. Except as provided in Section 308, 309, 310, and 311 such ERC's may not be returned to the bank following the start of operation of the stationary source or emissions unit using the ERC as offsets.
- 306 USE OF ERC'S, OFFSETS:** ERC's may be used immediately as offsets. The ERC shall be entered into the Register along with the name of the user. Except as provided in Sections 308, 309, 310, and 311 such ERC's may not be returned to the bank following the start of operation of the stationary source or emissions unit using the ERC as offsets. ERC's may not be used to offset increases in toxic air contaminants.
- 307 RETURNS, USE OF ERC'S FOR TEMPORARY STATIONARY SOURCES AND PORTABLE EQUIPMENT:** ERC's used as offsets for temporary stationary sources or emissions units or used as offsets for portable equipment shall be returned in full to the owner upon verification of shutdown of the temporary stationary source, emissions unit, or portable equipment by the Air Pollution Control Officer. ERC's must then be re-deposited in the Bank and re-entered into the Register by the owner, within 60 days.
- 308 RETURNS, ISSUANCE OF PERMIT TO OPERATE:** If the applicant for a Permit to Operate requests a lowering of the quarterly emission limitation as a result of emissions testing conducted pursuant to an Authority to Construct and the requested new emissions limitation has been demonstrated as achievable by such emissions testing and will be continuously achieved, the difference in emission reductions credits necessary to offset the emissions unit pursuant to Rule 502, NEW SOURCE REVIEW, shall be re-deposited in the Bank and re-entered into the Register.
- 309 RETURNS, USE OF ERC'S FOR ELECTRICAL POWER PLANTS:** ERC's may be used at electrical power plants to offset emission increases resulting from increased power plant operation needed to compensate for reduced operation at other electrical power plant(s) within the District, due to emergency breakdown, pursuant to Rule 404, UPSET CONDITIONS, BREAKDOWNS OR SCHEDULED MAINTENANCE, or regularly scheduled maintenance. ERC's shall be returned in full to the owner upon verification of return to normal operation of the using electrical power plant. ERC's shall be re-deposited in the Bank and re-entered into the Register. The application of the provisions of this Section shall be approved in writing by the Air Pollution Control Officer prior to use.
- 310 RETURNS, ERC'S FROM THE PRIORITY RESERVE:** Emission Reduction Credits are returned after a being loaned in accordance with Rule 505, PRIORITY RESERVE, shall be returned to the originating Priority Reserve. Legal title to ERC's transferred to the ERC Bank from the Priority Reserve remains with the District and not the borrower.

400 ADMINISTRATIVE REQUIREMENTS

401 APPLICATION PROCEDURES:

- 401.1 Any person or entity, or an authorized agent, which owns or operates a source at which an eligible emission reduction has occurred or will occur may apply for an ERC certificate in accordance with the requirements of this rule.
- 401.2 The person or entity requesting the ERC certificate shall make an application on forms supplied by the District.
- 401.3 The application may be for reductions in one or more affected pollutants. The application shall contain sufficient information to allow for adequate evaluation of actual emission reductions.

401.4 Applicants may claim confidentiality for submitted information to the extent allowed and provided for by provisions of the Federal Clean Air Act and the Administrative Procedures of the California Government Code.

401.5 To verify emission reductions claimed in conjunction with an application for an ERC certificate, the District may require source tests by California Air Resources Board and/or US Environmental Protection Agency approved methods, continuous monitoring, production records, fuel use records, or any other appropriate means.

402 COMPLETE APPLICATION:

402.1 The Air Pollution Control Officer shall determine whether the application for ERC is complete not later than 30 days after receipt of the application for ERC, or after such longer time as both the applicant and the Air Pollution Control Officer have agreed in writing. If the Air Pollution Control Officer determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. If specified information is not submitted by the applicant within 60 days from the notification from the District that the application is incomplete, the application shall be automatically canceled unless the applicant has requested an extension of time, in writing and prior to the end of the 60 day period, from the Air Pollution Control Officer. The Air Pollution Control Officer may grant an extension of time not to exceed 90 days. If the application is for a shutdown or curtailment emission reduction credit, failure to provide the additional information or failure to request an extension of time shall result in those credits passing to the Priority Reserve Bank pursuant to Rule 505, PRIORITY RESERVE.

402.2 Upon receipt of any re-submittal of the application, a new 30-day period to determine completeness shall begin.

402.3 Completeness of an application or re-submitted application shall be evaluated on the basis of the information requirements set forth in District regulations (adopted pursuant to Article 3, 65940 through 65944 of Chapter 4.5 of Division I of Title 7 of the California Government Code) as they exist on the date on which the application or re-submitted application was received. The Air Pollution Control Officer may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

402.4 A fee shall be required pursuant to Rule 601, PERMIT FEES - STATIONARY SOURCE.

402.5 For offsets provided in accordance with Health and Safety Code Sections 41605.5, 42314.5, and 41865 concerning emission reductions from open field burning, an ERC application covering the total emission reductions necessary to offset stationary source emissions may be submitted at the time of application for an Authority to Construct. Applications for ERC's from agricultural burning shall not be required if such emissions are covered by an ERC obtained by the stationary source utilizing such emission reductions.

402.6 The applicant shall submit to the Air Pollution Control Officer records required pursuant to Section 501.

403 PRELIMINARY DECISION: Except as provided in Section 110, following acceptance of an application as complete, the Air Pollution Control Officer shall perform the evaluations required to determine compliance with all applicable District rules and regulations and make a preliminary written decision as to whether the emission reductions should be certified as an ERC. The decision shall be supported by a succinct written analysis.

- 404 PUBLICATION AND PUBLIC COMMENT:** Except as provided in Section 110, within ten calendar days following a preliminary decision, the Air Pollution Control Officer shall publish, in at least one newspaper of general circulation in the District, a notice stating the preliminary decision of the Air Pollution Control Officer, noting how the pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication.
- 405 PUBLIC INSPECTION:** Except as provided in Section 110, the Air Pollution Control Officer shall make available for public inspection at the Air Pollution Control District's office the information submitted by the applicant and the Air Pollution Control Officer's analysis no later than the date the notice of the preliminary decision is published, pursuant to Section 404. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code. Further, all such information shall be transmitted no later than the date of publication to the California Air Resources Board and the US Environmental Protection Agency regional office, and to any party which requests such information.
- 406 CERTIFICATION, FINAL ACTION:**
- 406.1 Within 180 days after acceptance of an application as complete, the Air Pollution Control Officer shall take final action on the application after considering all written comments.
- 406.2 Except as provided in Section 110, the Air Pollution Control Officer shall provide written notice of the final action to the applicant, the US Environmental Protection Agency, and the California Air Resources Board, and shall publish such notice in a newspaper of general circulation and shall make the notice and all supporting documents available for public inspection at the District's office.
- 407 WITHDRAWAL OF APPLICATION:** Withdrawal of an application for certification of an ERC by the applicant shall result in cancellation.
- 408 CALCULATION OF EMISSIONS, GENERAL:** Calculations performed pursuant to procedures specified in this Section shall not conflict with the requirements of state law. The following procedures apply to the calculation of ERC's for all sources, with the exception of ERC's from the open burning of biomass:
- 408.1 Actual emission reductions from modifications to, or shutdowns of, existing emissions units shall be calculated for each calendar quarter by subtracting the proposed emissions from historical actual emissions. Any positive value shall qualify for conversion to an emission reduction credit.
- 408.2 Credits for particulate matter emission reductions shall be expressed in terms of PM10.
- 408.3 Credits for nitrogen oxides, reactive organic compounds, carbon monoxide, sulfur oxides and PM10 shall be quantified in terms of pounds of pollutants per quarter for each calendar quarter.
- 408.4 Actual emission reductions shall be adjusted to at least reflect emission rates achievable with reasonably available control technology (RACT) or best available retrofit control technology (BARCT), whichever results in the greatest adjustment.
- 409 PRIORITY RESERVE ADJUSTMENT OF CALCULATED CREDITS:** Before the Air Pollution Control Officer may issue a certificate of ownership for any ERC's, the emission reductions calculated in Section 408 shall be adjusted 1.05 emission reductions to 1.0 ERC. Emission reductions captured by the ERC adjustment shall pass to the Priority Reserve Bank pursuant to Rule 505, PRIORITY RESERVE.

410 REGISTRATION:

- 410.1 Following certification of emission reduction credits and verification that the proposed emission reductions have been implemented, the Air Pollution Control Officer shall issue an original ERC Certificate to the owner(s) by certified mail or in person.

The issuance of an ERC certificate shall not constitute evidence of compliance with the rules and regulations of the District, or a representation or assurance to the recipient upon which reliance is authorized or intended that the ERC represented by the ERC certificate are available from the District ERC bank.

- 410.2 The ERC Certificate shall contain:

- a. Certificate number, and
- b. Date of issuance, and
- c. Street address and APN of site creating the surplus emissions reductions for which the ERC Certificate is issued, and
- d. Signature of the responsible District official, and
- e. The name of the owner shall be typed on the certificate and the owner shall sign the certificate. If the owner is a public or private business entity, a person authorized to sign on behalf of the owner shall sign the certificate, and
- f. Conditions of operation or use, including the life of the credit.

- 410.3 A copy of each ERC Certificate issued shall be maintained in the Bank Register.

- 410.4 Multiple owners of emission reduction credits shall be separated according to agreements, filed with the District, between the owners with one ERC Certificate issued to each owner for their respective portion.

- 410.5 Upon transfer of ERC's between parties, the transferor's ERC certificate, and a copy of an agreement, signed by the transferor, authorizing and memorializing the transfer of the ERC to the transferee must be surrendered to the Air Pollution Control Officer by the transferee, within 30 days of the date of the writing authorizing the transfer of the ERC's.

Upon receipt and review of said documents the Air Pollution Control Officer shall issue a new ERC certificate in the name of the transferee. If fewer than all the transferor's ERC's are transferred, a new certificate shall be issued to the transferor showing the remaining ERC's. The District may refuse to recognize any transfer of ERC's that does not comply with the requirements of this section.

- 410.6 The original ERC Certificate surrendered by the registered owner shall be filed in the register and marked with the date of issuance of the new ERC Certificate(s), the number of credits transferred, and the new ERC Certificate number(s). If fewer than all ERC's are transferred, the new balance in the name of the original owner shall be entered in the register.

- 410.7 Prior to the issuance of a permit allowing the use of ERC's, the registered owner shall surrender the ERC Certificate to the Air Pollution Control Officer. The certificate surrendered by the owner shall be filed in the register and marked with the permit number, street address and APN of site of use, and the name of the owner using the ERC's. If a balance of ERC's remain, a new ERC Certificate

shall be issued to the original owner and the original ERC Certificate shall be filed in accordance with the provisions of this rule.

- 410.8 Unless such records and information were previously submitted to the Air Pollution Control Officer, each ERC transaction must be accompanied submittal of the information of Section 501.

411 ERC REGISTER:

- 411.1 The register shall contain the following information for each ERC Certificate issued by the Air Pollution Control Officer:

- a. Certificate number, and
- b. Date of issuance, and
- c. Name and address of the registered owner, and
- d. Street address and APN of site creating the surplus emissions reductions for which the ERC Certificate is issued, and
- e. Number of ERC's registered.

- 411.2 Upon notice of a transfer of an ERC Certificate the Air Pollution Control Officer shall enter the following information in the register:

- a. Original ERC Certificate number, and
- b. New ERC Certificate number, or street address, APN, and permit numbers at which the ERC's are being used, and
- c. Name and address of new owner(s), if any, and
- d. Number of ERC's being transferred.

- 411.3 Upon use of the ERC's for offsets, the following information shall be entered in the register:

- a. All information required in Section 411.2, and
- b. Date ERC Certificate was surrendered to the Air Pollution Control Officer, and
- c. Permit numbers to which ERC's are being applied, and
- d. Name and address of ERC user, and
- e. Name, if any, address, and APN of site where ERC's are being used as offsets, and
- f. Number of ERC's being used for offsets.

- 412 MORATORIUM:** If the District Board of Directors determines, after review of periodic reports prepared by the Air Pollution Control Officer, that additional emission reductions are necessary, a moratorium on withdrawals may be imposed. Prior to imposing a moratorium, the Air Pollution Control Officer shall provide a notice of the date of the meeting of the District Board of Directors to consider issuance of a moratorium to owners of ERC and other interested parties. The moratorium shall be lifted upon determination that additional emission reductions are not necessary by the District Board of Directors.

Except as provided in Section 201.2, after the issuance of an ERC Certificate, subsequent changes in regulations, except Regulation 5, shall not reduce or eliminate the deposit.

500 MONITORING AND RECORDS

501 RECORDKEEPING:

- 501.1 Cost of Offsets: Each applicant to seeking to deposit, withdrawal, or transfer Emission Reduction Credits shall, as applicable, report to the District each emissions trading transaction; the amount of emissions for offsets purchased, by pollutant; the year the offset transaction occurred; and the total cost, by pollutant, of the offsets purchased, and other such information as may be required to perform the cost analysis required by Section 40709.5(e) of the California Health and Safety Code. This information shall be part of the public record.

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